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Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2011

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation MORTON FAMILY FOUNDATION		A Employer identification number 06-6469445
Number and street (or P O box number if mail is not delivered to street address) 87 SOUTH BEACH ROAD	Room/suite	B Telephone number (see instructions) 212-921-5777
City or town, state, and ZIP code HOBE SOUND FL 33455		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change </div> <div> <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change </div> </div>		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,567,938.00	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)	16,113			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	64	64	64	
4 Dividends and interest from securities	26,761	26,761	26,761	
5a Gross rents				
b Net rental income or (loss)	26,782			
6a Net gain or (loss) from sale of assets not on line 10	26,782			
b Gross sales price for all assets on line 6a	261,794			
7 Capital gain net income (from Part IV, line 2)		26,782.00		
8 Net short-term capital gain			13,130	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)	0.00			
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	69,720.00	53,607.00	39,955.00	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)	1,775	1,775	1,775	
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see instructions)	2,773	2,773	2,773	
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	6,899	6,899	6,899	6,899
24 Total operating and administrative expenses. Add lines 13 through 23	11,447.00	11,447.00	11,447.00	6,899.00
25 Contributions, gifts, grants paid	73,000			73,000
26 Total expenses and disbursements. Add lines 24 and 25	84,447.00	11,447.00	11,447.00	79,899.00
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	(14,727.00)			
b Net investment income (if negative, enter -0-)		42,160.00		
c Adjusted net income (if negative, enter -0-)			28,508.00	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing					
	2 Savings and temporary cash investments					
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . .					
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments—U S and state government obligations (attach schedule)					
	b Investments—corporate stock (attach schedule)					
	c Investments—corporate bonds (attach schedule)					
	11 Investments—land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach schedule) ▶					
	12 Investments—mortgage loans					
	13 Investments—other (attach schedule)			1,251,037	1,235,574	1,567,938
	14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach schedule) ▶					
15 Other assets (describe ▶)						
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1	251,037.00	235,574.00	567,938.00		
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable (attach schedule) .					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)		0.00	0.00		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds					
	28 Paid-in or capital surplus, or land, bldg, and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds					
	30 Total net assets or fund balances (see instructions) . .		1,251,037	1,235,574		
	31 Total liabilities and net assets/fund balances (see instructions)	1	251,037.00	235,574.00		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,251,037
2 Enter amount from Part I, line 27a	2	(14,727.00)
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,236,310.00
5 Decreases not included in line 2 (itemize) ▶ MISC.	5	736
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . .	6	1,235,574.00

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	THRU PNC BANK - SEE ATTACHED STATEMENT	P		
b	CAPITAL GAIN DISTRIBUTION-PNC BANK	P		
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			23,729.00
b			3,053.00
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	26,782
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	13,130

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	67,500	1,334,017	0.0506
2009	246,998	1,196,426	0.2064
2008	158,081	1,053,105	0.1501
2007	73,166	1,376,033	0.0532
2006	78,472	1,366,511	0.0574

2	Total of line 1, column (d)	2	0.5177
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.10354
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,475,293
5	Multiply line 4 by line 3	5	152,752
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	422
7	Add lines 5 and 6	7	153,174.00
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	79,899

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	843
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	843.00
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	843.00
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	0.00
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	843.00
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.00
11	Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0.00

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► CONNECTICUT		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i>		X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	X	
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	X	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶				
14	The books are in care of ▶ LEICHT & REIN TAX ASSOCIATES Telephone no. ▶ 212-921-5777 Located at ▶ 570 SEVENTH AVE, STE.1804, NEW YORK, NY ZIP+4 ▶ 10018			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶				X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WILLIAM I. MORTON 87 SOUTH BEACH ROAD HOBE SOUND, FL 33455	TRUSTEE			
MARY K. MORTON 87 SOUTH BEACH ROAD HOBE SOUND, FL 33455	TRUSTEE			

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances

Total number of other employees paid over \$50,000 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
.....		
.....		
.....		
NONE		
.....		
.....		
.....		
Total number of others receiving over \$50,000 for professional services		▶

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
.....	
2	
.....	
N/A	
3	
.....	
4	
.....	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
.....	
2	
N/A	
All other program-related investments See instructions	
3	
.....	
Total. Add lines 1 through 3	0.00

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,497,759
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	1,497,759.00
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,497,759.00
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see instructions)	4	22,466
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,475,293.00
6	Minimum investment return. Enter 5% of line 5	6	73,765

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6	1	73,765
2a	Tax on investment income for 2011 from Part VI, line 5	2a	843
b	Income tax for 2011. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	843.00
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	72,922.00
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	72,922.00
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	72,922.00

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	79,899
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	79,899.00
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	79,899.00

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				72,922.00
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.00			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 79,899				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				72,922
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.00			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.00		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see instructions		0.00		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount—see instructions			0.00	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.00
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.00			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling**b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	
				0
b 85% of line 2a	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed				0
d Amounts included in line 2c not used directly for active conduct of exempt activities				0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon:				
a "Assets" alternative test—enter:				
(1) Value of all assets				0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				0
c "Support" alternative test—enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				0
(3) Largest amount of support from an exempt organization				0
(4) Gross investment income				0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:****a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.**a** The name, address, and telephone number of the person to whom applications should be addressed:

N/A

b The form in which applications should be submitted and information and materials they should include:

N/A

c Any submission deadlines:

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

N/A

Part XV . Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>			<p>TO ENABLE DONEES</p> <p>TO FURTHER THEIR</p> <p>T-E PURPOSES</p>	73,000
Total			3a	3,000.00
b <i>Approved for future payment</i>				
Total			3b	0.00

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.					
	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue.					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue. a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e).		0.00		0.00	0.00
13 Total. Add line 12, columns (b), (d), and (e).					0.00

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2011

Name of the organization

Employer identification number

MORTON FAMILY FOUNDATION

06-6469445

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization MORTON FAMILY FOUNDATION	Employer identification number 06-6469445
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	WILLIAM I. MORTON 87 SOUTH BEACH ROAD HOBE SOUND, FL 33455	\$ 202,786	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	WILLIAM I. MORTON 87 SOUTH BEACH ROAD HOBE SOUND, FL 33455	\$ 8,269	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization MORTON FAMILY FOUNDATION	Employer identification number 06-6469445
---	---

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	

Morton Family Foundation
Form 990-PF
2011

EIN 06-6469445

Part I - Line 1 - Contributions
Part VII-A - Question 10

Substantial contributors

William I. Morton
87 South Beach Road
Hobe Sound, FL 33455

21,550 - shs Interpublic Group
FMV \$202,786
Cost \$7,844

\$8,269 - Misc. cash

Part I - Line 18 - Taxes

Foreign taxes	\$	1,010
Excise taxes		1,663
	\$	<u>2,673</u>

Part I - Line 23 - Other Expenses

Investment Advisory Fees	\$	6,606
Investment expenses		293
	\$	<u>6,899</u>

Part VII-A- QUESTION 8(b)

Connecticut does not require the filing of annual returns for private foundations

Morton Family Foundation
2011
Part XV - Contributions Paid

EIN 06-6469445

~ 1000 Friends of Florida	\$ 500
~ Boys & Girls Club of Greenwich	2,500
~ Boys & Girls Club of Martin County	3,500
~ Breast Cancer Research Foundation	6,000
~ Carolina Performing Arts Society	3,500
~ Christ Memorial Chapel	4,000
~ Eaglebrook School	2,500
~ First Presbyterian Church of Greenwich	2,500
~ Hobe Sound Community Chest	2,500
~ Jupiter Medical Center	5,000
~ Marion Institute	500
~ Mayo Foundation	3,500
~ Memorial Sloan Kettering Cancer Center	2,000
~ New York Botanical Garden	2,500
~ NY Police Fund	1,000
~ One West 54th St Foundation	1,000
~ Riverside Children Theatre	2,000
~ Society of the Four Arts	7,500
~ Steadman Hawkins Research Foundation	500
~ THE Women's Committee	500
~ UNC School of Journalism and Mass Communication	3,500
~ United Way - Martin County	1,000
~ Vail Valley Music Festival 2010	15,000
Total	<u>\$ 73,000</u>

2011 Tax Information Statement

Page 7 of 19
Ref: 520

Account Number: 12350443982887
Recipient's Name and Address:
MORTON FAMILY FOUNDATION
ATTN WILLIAM I MORTON TRUSTEE
87 SOUTH BEACH ROAD
HOBE SOUND, FL 33455-2336

Recipient's Tax ID Number: XX-XXX9445
Payer's Federal ID Number: 22-1146430
Questions? (215)585-7328 ext 7328
☐ 2nd TIN notice

Payer's Name and Address:
PNC BANK, NA
1600 MARKET ST 4TH FL
PHILADELPHIA, PA 19103

☐ Corrected

2011 Form 1099-B: Proceeds from Broker and Barter Exchange Transactions

OMB No. 1545-0715

Reported to the IRS is Sales Price less commissions and option premiums.

For noncovered securities shown on this statement, cost basis information including wash sale disallowed loss is not being reported to the Internal Revenue Service.

Cusip Number	Description	Date of Sale	Date of Acquisition	Sales Price of Stocks Bonds, etc. (Box 2)	Cost or Other Basis	Net Gain or Loss	Federal Income Tax Withheld (Box 4)
Noncovered (Box 6 is checked)							
Short Term Sales Reported on 1099-B							
81369Y209	391.0000 AMEX CONSUMER SVC SELECT	08/16/2011	05/16/2011	12,472.31	14,167.88	-1,695.57	0.00
81369Y209	62.0000 AMEX CONSUMER SVC SELECT	11/16/2011	05/16/2011	2,089.35	2,246.57	-157.22	0.00
81369Y407	740.0000 AMEX CYCL TRANS SELECT	05/16/2011	Various	29,850.22	27,697.59	2,152.63	0.00
81369Y605	2170.0000 AMEX FINANCIAL SELECT SPDR	02/14/2011	02/19/2010	36,988.84	31,423.61	5,565.23	0.00
81369Y704	71.0000 INDUSTRIAL SELECT SECTOR SPDR ETF LARGE CAP	11/16/2011	Various	2,406.23	2,424.48	-18.25	0.00
81369Y100	250.0000 SECTOR SPDR TR SBI BASIC INDS	05/16/2011	02/14/2011	9,756.11	10,066.01	-309.90	0.00
81369Y313	130.0000 SECTOR SPDR TR SBI CONS STPLS	05/16/2011	02/14/2011	4,171.99	3,826.75	345.24	0.00
81369Y308	406.0000 SECTOR SPDR TR SBI CONS STPLS	08/16/2011	Various	12,135.09	11,922.73	212.36	0.00
81369Y308	529.0000 SECTOR SPDR TR SBI CONS STPLS	11/16/2011	11/30/2010	16,570.61	14,991.78	1,578.83	0.00
81369Y506	110.0000 SECTOR SPDR TR SHS BEN INT-ENERGY/TRANSN	08/16/2011	05/16/2011	7,528.57	8,179.58	-651.01	0.00
81369Y803	213.0000 SECTOR SPDR TR SHS BEN INT-TECHNOLOGY	08/16/2011	02/14/2011	5,180.68	5,746.30	-565.62	0.00
81369Y803	133.0000 SECTOR SPDR TR SHS BEN INT-TECHNOLOGY	11/16/2011	Various	3,495.17	3,524.19	-29.02	0.00

This is important tax information and is being furnished to the Internal Revenue Service (except as indicated). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. For noncovered securities shown on this statement, cost basis information including wash sale disallowed loss is not being reported to the Internal Revenue Service. The taxpayer is ultimately responsible for the accuracy of their return.

2011 Tax Information Statement

Page 8 of 19
Ref: 520

Account Number: 12350443982887
Recipient's Tax ID Number: XX-XXX9445
Payer's Federal ID Number: 22-1146430
Questions? (215)585-7328 ext 7328
☐ Corrected ☐ 2nd TIN notice

Payer's Name and Address:
PNC BANK, NA
1600 MARKET ST 4TH FL
PHILADELPHIA, PA 19103

Recipient's Name and Address:
MORTON FAMILY FOUNDATION
ATTN WILLIAM I MORTON TRUSTEE
87 SOUTH BEACH ROAD
HOBE SOUND, FL 33455-2336

Cusip Number	Description	Date of Sale	Date of Acquisition	Sales Price of Stocks Bonds, etc.	Cost or Other Basis	Net Gain or Loss	Federal Income Tax Withheld
Noncovered (Box 6 is checked)							
81369Y886	1420.0000 SECTOR SPDR TR SHS BEN INT-UTILITIES	05/16/2011	Various	48,427.74	43,980.99	4,446.75	0.00
81369Y886	235.0000 SECTOR SPDR TR SHS BEN INT-UTILITIES	08/16/2011	11/30/2010	7,617.12	7,212.99	404.13	0.00
81369Y886	437.0000 SECTOR SPDR TR SHS BEN INT-UTILITIES	11/16/2011	11/30/2010	15,264.42	13,413.09	1,851.33	0.00
Total Short Term Sales Reported on 1099-B				213,954.45	200,824.54	13,129.91	0.00
Report on Form 8949, Part I, with Box B checked							
Long Term 15% Sales Reported on 1099-B							
81369Y407	32.0000 AMEX CYCL TRANS SELECT	08/16/2011	11/13/2009	1,157.09	924.45	232.64	0.00
81369Y407	73.0000 AMEX CYCL TRANS SELECT	11/16/2011	11/13/2009	2,861.54	2,108.89	752.65	0.00
81369Y605	1100.0000 AMEX FINANCIAL SELECT SPDR	05/16/2011	02/19/2010	17,482.36	15,929.02	1,553.34	0.00
81369Y506	350.0000 SECTOR SPDR TR SHS BEN INT-ENERGY/TRANSP	02/14/2011	08/25/2009	26,338.79	18,278.80	8,059.99	0.00
Total Long Term 15% Sales Reported on 1099-B				47,839.78	37,241.16	10,598.62	0.00
Report on Form 8949, Part II, with Box B checked							

Total 23,729

This is important tax information and is being furnished to the Internal Revenue Service (except as indicated). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. For noncovered securities shown on this statement, cost basis information including wash sale disallowed loss is not being reported to the Internal Revenue Service. The taxpayer is ultimately responsible for the accuracy of their own tax return.



MORTON FAMILY FOUNDATION CUST
CUSTODY STATEMENT
Account number 12-35-044-3982887
December 1, 2011 - December 30, 2011

Detail

Portfolio - income

Cash and cash equivalents Mutual funds - money market

Description	Market value last period	Current market value		% of total portfolio	Avg tax cost per unit	Total tax cost	Unrealized gain/loss	Current yield	Estimated annual income
		Quantity	price per unit						
BLACKROCK LIQUIDITY FUNDS			\$3,802.03	0.25 %		\$3,802.03		0.07 %	\$2.45
MUNICASH INSTITUTIONAL SHARES #48	3,802.030		\$1.0000			\$1.00			

Fixed income

Mutual funds - fixed income

Description (Symbol)	Market value last period	Current market value		% of total portfolio	Avg tax cost per unit	Total tax cost	Unrealized gain/loss	Current yield	Estimated annual income
		Quantity	price per unit						
T ROWE PRICE HIGH YIELD (PRHYX) FUND #57			\$31.03	0.01 %		\$32.37		8.06 %	\$2.50
		4.781	\$6.4900			\$6.77	-\$1.34		

Portfolio - principal

Cash and cash equivalents Mutual funds - money market

Description	Market value last period	Current market value		% of total portfolio	Avg tax cost per unit	Total tax cost	Unrealized gain/loss	Current yield	Estimated annual income
		Quantity	price per unit						
BLACKROCK LIQUIDITY FUNDS			\$2,418.12	0.16 %		\$2,418.12		0.07 %	\$1.56
MUNICASH INSTITUTIONAL SHARES #48	\$63,439.13	2,418.120	\$1.0000			\$1.00			





MORTON FAMILY FOUNDATION CUST
CUSTODY STATEMENT
Account number 12-35-044-3982887
December 1, 2011 - December 30, 2011

Detail

Fixed income
Mutual funds - fixed income

Description (Symbol)	Market value last period		Current market value		% of total portfolio	Total tax cost		Unrealized gain/loss	Current yield	Estimated annual income
	Quantity	price per unit	Quantity	price per unit		Avg tax cost per unit	Unrealized gain/loss			
T ROWE PRICE HIGH YIELD (PRHYX)	\$22,096 22	\$22,702 47			1 45 %	\$17,107 82	\$5,594 65	8 06 %		\$1,829 49
FUND #57	3,498 069	\$6 4900				\$4 89				
VANGUARD FIXED INCOME SECS FD (VWEHX)	21,361 17	21,948 57			1 40 %	16,700 44	5,248 13	7 14 %		1,566 10
HIGH YIELD CORPORATE PORT	3,857 394	5 6900				4 33				
FD #29										
Total mutual funds - fixed income		\$44,651.04			2.85 %	\$33,808.26	\$10,842.78	7.61 %		\$3,395.59
Total fixed income		\$44,651.04			2.85 %	\$33,808.26	\$10,842.78	7.61 %		\$3,395.59

Equities
Stocks
Consumer discretionary

Description (Symbol)	Market value last period		Current market value		% of total portfolio	Total tax cost		Unrealized gain/loss	Current yield	Estimated annual income
	Quantity	price per unit	Quantity	price per unit		Avg tax cost per unit	Unrealized gain/loss			
INTERPUBLIC GROUP COMPANIES INC (IPG)	21,550	\$209,681 50		\$9 7300	13 38 %	\$7,844 20	\$201,837 30	2 47 %		\$5,172 00
ETF LARGE CAP						\$0 36				
HEALTH CARE SELECT SECTOR (XLV)	120,849 96	\$39,664 00		\$33 5000	7 90 %	106,103 52	17,635 71	1 97 %		2,429.13
ETF LARGE CAP	3,567	123,739 23		34 6900		29 75				
SECTOR SPDR TR (XLP)	61,152 30	62,283 33			3 98 %	48,232 59	14,050 74	2 73 %		1,698 46
ETF SBI CONS STPLS	1,917	32 4900				25 16				
CONSUMER DISCRETIONARY SELECT (XLY)	22,159 28	22,319 44			1 43 %	16,068 64	6,250 80	1 56 %		347 20
ETF SECTOR LARGE CAP	572	39 0200				28 09				



MORTON FAMILY FOUNDATION CUST CUSTODY STATEMENT

Account number 12-35-044-3982887
December 1, 2011 - December 30, 2011

Detail

Etf - equity

Description (Symbol)	Market value last period		Current market value		% of total portfolio	Avg tax cost per unit	Total tax cost	Unrealized gain/loss	Current yield	Estimated annual income
	Quantity	price per unit	Current	price per unit						
ENERGY SELECT SPDR FUND (XLE) ETF	99,714.09	97.26591	9,714,090	97.26591	6.21 %	91,973.00	65.37	5,292.91	1.54 %	1,492.83
FINANCIAL SELECT SECTOR SPDR (XLF) FUND ETF	99,187.83	100.65900	9,965,900	100.65900	6.42 %	106,876.26	13.80	-6,217.26	1.74 %	1,742.18
INDUSTRIAL SELECT SECTOR SPDR (XLI) ETF LARGE CAP	80,149.85	79.81875	6,400,000	79.81875	5.10 %	65,339.64	27.63	14,479.11	2.16 %	1,721.72
SECTOR SPDR TR (XLK)	97,048.56	96.40460	9,350,000	96.40460	6.15 %	84,331.18	22.26	12,073.42	1.52 %	1,458.38
ETF SHS BEN INT-TECHNOLOGY	3,788	25.45000	95,800	25.45000	1.48 %	19,095.32	29.70	4,039.82	3.81 %	879.62
SECTOR SPDR TR (XLU)	22,640.03	23.13514	523,800	23.13514						
ETF SHS BEN INT-UTILITIES	643	35.98000	23,050	35.98000						
Total etf - equity			\$645,289.40		41.16 %	\$577,969.48		\$67,319.92	1.96 %	\$12,642.13

Mutual funds - equity

Description (Symbol)	Market value last period		Current market value		% of total portfolio	Avg tax cost per unit	Total tax cost	Unrealized gain/loss	Current yield	Estimated annual income
	Quantity	price per unit	Current	price per unit						
BARON SMALL CAP FUND (BSFX) INSTITUTIONAL	\$42,622.62	\$42.29278	\$1,800,000	\$42.29278	2.70 %	\$31,624.59	\$17.26	\$10,668.19		
HARBOR INTERNATIONAL FUND (HAINX) CLASS INS	162,259.59	159.13115	25,800,000	159.13115	10.15 %	151,004.82	49.77	8,126.33	2.51 %	3,992.69
HARRIS ASSOC INV TR (OAKIX) CLASS I OAKMARK INTL FD	155,381.08	153.17114	23,800,000	153.17114	9.77 %	143,880.91	15.55	9,290.23	0.77 %	1,166.14
FUND #109	9,255.054	16.55000	152,500	16.55000						
LONGLEAF PARTNERS SM CAP FD (LLSCX) FD #134	16,944.95	17.16952	290,000	17.16952	1.10 %	13,397.80	19.69	3,771.72	0.44 %	74.86
PROSPECTOR OPPORTUNITY FUND (POPF) FUND #1981	25,803.64	24.68949	635,000	24.68949	1.58 %	20,717.15	13.95	3,972.34	0.31 %	75.76
STRATEGIC INTERNATIONAL (DISRX) STOCK FUND CL I	164,459.50	157.72573	25,800,000	157.72573	10.06 %	148,497.87	11.47	9,227.86	1.30 %	2,046.03
Total mutual funds - equity			\$554,179.81		35.35 %	\$509,123.14		\$45,056.67	1.33 %	\$7,355.48





MORTON FAMILY FOUNDATION CUST
CUSTODY STATEMENT
Account number 12-35-044-3982887
December 1, 2011 - December 30, 2011

Detail

Mutual funds - equity

Description (Symbol)	Market value last period Quantity	Current market value		% of total portfolio	Total tax cost Avg tax cost per unit	Unrealized gain/loss	Current yield	Estimated annual income
		Current	price per unit					
Total equities		\$1,409,150.71		89.87 %	\$1,094,936.82	\$314,213.89	1.79 %	\$25,169.61

Alternative investments

Mutual funds - alternative invest

Description (Symbol)	Market value last period Quantity	Current market value		% of total portfolio	Total tax cost Avg tax cost per unit	Unrealized gain/loss	Current yield	Estimated annual income
		Current	price per unit					
GATEWAY FUND (GTEYX)	\$106,310.36	\$107,884.62	\$107.884-62	6.89 %	\$100,576.68	\$7,307.94	1.87 %	\$2,015.43
FUND CLASS Y	4,088.087	\$26.3900	\$26.3900		\$24.60			
Total portfolio		\$1,567,937.55		100.00 %	\$1,235,574.28	\$332,363.27	1.95 %	\$30,587.14